

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

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MELINDA BROWN and TREFFLE)	
LAFLECHE,)	
)	
Plaintiffs,)	
)	
v.)	
)	
AMERICAN INTERNATIONAL GROUP,)	C. A. No. 04-10685 GAO
INC. and NATIONAL UNION FIRE)	
INSURANCE COMPANY OF)	
PITTSBURGH, PENNSYLVANIA,)	
)	
Defendants.)	
)	
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PLAINTIFFS' MOTION FOR SUMMARY JUDGMENT

EXHIBIT 3 PART 4 OF 4

(6) the spin-off of International - \$789,197.20;

(7) the spin-off of CX-IT - \$158,000.00.

C. Joint and several liability in the amount of \$25,19,257.36 against Milton Cleve Collins, Arthur Dana, Edward Lindquist, Gary Pershbacher and his principal, Tatum CFO Partners, LLP, and Ronald Schaupp for aiding and abetting the Board of Directors in their breaches of fiduciary duty to the corporation and the creditors in the continuation of the Debtor's business during times of insolvency based on the Ponzi scheme;

D. Joint and several liability in the amount of \$981,202.00 against Milton Cleve Collins, Arthur Dana, Edward Lindquist, and Ronald Schaupp for the damages sustained by the Debtor as a result of the Ronald LaFleche settlement;

E. Joint and several liability in the amount of \$789,197.20 against Milton Cleve Collins, Edward Lindquist, Gary Pershbacher and his principal, Tatum CFO Partners, LLP for the damages sustained by the Debtor as a result of the spin-off of International, and in the amount of \$158,000.00 as a result of the spin-off of CX-IT;

F. Joint and several liability against Melinda Brown, Milton Cleve Collins, Peter LaFleche, Treffle LaFleche, Edward Lindquist, Ronald Schaupp, and Jonathon

Wilfong for the fraudulent conveyances under Kentucky law in the following amounts:

(1) the Ronald LaFleche settlement - \$981,202.00;

(2) the spin-off of International - \$789,197.20;

(3) the spin-off of CX-IT - \$158,000.00;

G. Joint and several liability against Melinda Brown, Milton Cleve Collins, Peter LaFleche, Treffle LaFleche, Edward Lindquist, Ronald Schaupp, and Jonathon Wilfong for the fraudulent conveyances in violation of 11 U.S.C. § 548(a) in the following amounts:

(1) the spin-off of International - \$789,197.20;

(2) the spin-off of CX-IT - \$158,000.00;

H. Joint and several liability against all Defendants in the amount of treble damages for violation of the RICO Act;

I. Joint and several liability against Melinda Brown, Milton Cleve Collins, Peter LaFleche, Treffle LaFleche, Edward Lindquist, Ronald Schaupp, and Jonathon Wilfong for negligence as members of the board of directors in the following amounts:

(1) the continuation of the Debtor's business during times of insolvency based on the Ponzi scheme - \$25,19,257.36;

(2) the Ronald LaFleche settlement - \$981,202.00;

(3) the award of improper bonuses - \$711,895.00;

(4) the improper distribution of shareholder dividends in the form of cash - \$561,651.21;

(5) the improper distribution of shareholder dividends in the form of shares of stock in International and CX-IT - \$947,197.20;

(6) the spin-off of International - \$789,197.20;

(7) the spin-off of CX-IT - \$158,000.00;

J. Joint and several liability against Milton Cleve Collins, Edward Lindquist, and Ronald Schaupp, for acts of negligence as officers of the corporation in the following amounts:

(1) the continuation of the Debtor's business during times of insolvency based on the Ponzi scheme - \$25,19,257.36;

(2) the award of improper bonuses - \$711,895.00;

(3) the spin-off of International - \$789,197.20;

(4) the spin-off of CX-IT - \$158,000.00;

K. Liability against Arthur Dana for professional negligence in the following amounts:

(1) the continuation of the Debtor's business during times of insolvency based on the Ponzi scheme - \$25,419,257.36;

(2) the Ronald LaFleche settlement - \$981,202.00;

L. Joint and several liability against Milton Cleve Collins and Edward Lindquist for the acts of negligence involving Collins' abuse of his American Express and personal expense account in the following amounts:

(1) the American Express account - \$324,883.78;

(2) the personal expense account - \$79,818.22.

M. Joint and several liability against Melinda Brown and Treffle LaFleche in the amount of \$33,722.50 for the return improper distribution of shareholder dividends;

N. Liability against the following for the return of improper distribution of shareholder dividends:

(1) Milton Cleve Collins - \$29,700.00;

(2) Treffle LaFleche - \$12,727.20;

(3) Ronald Schaupp - \$470.00;

O. Joint and several liability for punitive damages in the amount of \$5,000,000.00 against all Defendants for fraud under Kentucky common law;

P. Liability against Milton Cleve Collins in the amount of \$408,352.00 for the acts of theft encompassing

improper American Express payments on Collins' behalf and improper employee reimbursements;

Q. Liability against Milton Cleve Collins in the amount of \$326,496.00 for the return of improper bonuses;

R. Liability against Edward Lindquist in the amount of \$241,250.00 for the return of improper bonuses;

S. Liability against Ronald Schaupp in the amount of \$144,149.00 for the return of an improper bonus;

T. An award of Court costs herein expended, including reasonable attorney fees and other professional fees and expenses;

U. An award of pre-judgment interest and post-judgment interest;

V. An award of any other such equitable relief as may be provided by law.

Respectfully submitted,

/s/ John O. Morgan, Jr.

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